

Board of Directors



HON. W. E. FOSTER, LL.D.
SENATOR C. B. HOWARD
HON. B. M. HILL
W. W. SNIDER, ESQ.
R. W. T. BURLEIGH, ESQ.
D. C. MCBRIDE, ESQ., C.A.

OFFICERS

HON. W. E. FOSTER, LL.D.
President and Chairman, Board of Directors.
SENATOR C. B. HOWARD
Vice-President
HON. B. M. HILL
Secretary-Treasurer

SOLICITORS
HYDE & AHERN

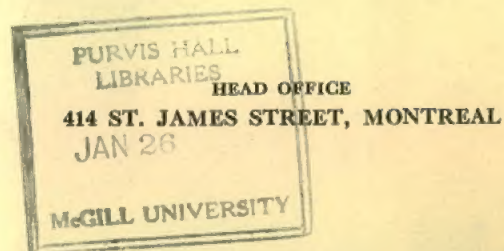
AUDITORS
PRICE, WATERHOUSE & COMPANY

**Consolidated
Diversified Standard
Securities
Limited**

FINANCIAL REPORT

FOR YEAR ENDING
DECEMBER 31st.

1942



Consolidated Diversified Standard Securities Limited

Notice of Annual Meeting of Shareholders

NOTICE is hereby given that the Annual Meeting of Shareholders of CONSOLIDATED DIVERSIFIED STANDARD SECURITIES LIMITED, will be held at Room 129, Windsor Hotel, in the City of Montreal, on the 19th day of April, 1943, at the hour of ten o'clock in the forenoon, daylight saving time, for the purpose of:—

- (a) Receiving and considering the report of the Directors of the Company, the Balance Sheet, Statement of Income and Expenditure, and the Auditors' Report for the past fiscal year;
- (b) Considering and if thought fit, approving and ratifying all contracts, acts and proceedings of the Board of Directors and of the officers of the Company since the last Annual Meeting of Shareholders as set forth or described in the books of the Company or in the Annual Report of the Company for the past fiscal year.
- (c) Appointing Auditors;
- (d) Electing Directors for the ensuing year;
- (e) Transacting such other business as may properly be brought before the meeting.

If you are not able to be present kindly sign and return the enclosed Proxy by early mail.

DATED at Montreal this 26th day of March 1943.

BY ORDER OF THE BOARD,

B. M. HILL

Secretary-Treasurer.

Consolidated Diversified Standard Securities Limited

Consolidated Statement of Profit and Loss and Surplus For the year ending December 31st, 1942

Dividends and Interest earned on Investments.....		\$41,614.26	
ADD:			
Premium received on U.S. Funds.....	\$ 3,036.52		
Net Profit on Sale of Investments.....	311.41	3,347.93	
		<u>3,347.93</u>	
		\$44,962.19	
DEDUCT:			
Remuneration of Executive Officers employed in Salaried Positions:			
Salaries.....	\$3,693.66		
Expenses.....	1,500.20	\$5,193.86	
Office Salaries.....		4,836.58	
Directors' Fees.....		600.00	
Legal Fees.....		51.00	
Taxes, other than Income.....		234.36	
General Expenses, including Rent, Postage, Stationery, Office Expenses, Depreciation (\$254.64), etc.....	4,668.24	15,584.04	
		<u>15,584.04</u>	
NET PROFIT FOR YEAR BEFORE INCOME TAXES.....		\$29,378.15	
DEDUCT:			
Taxes deducted at source.....		5,265.69	
		<u>5,265.69</u>	
NET PROFIT FOR YEAR AFTER ALL CHARGES.....		\$24,112.46	
Surplus Balance, December 31, 1941.....		73,176.18	
		<u>73,176.18</u>	
		\$97,288.64	
Preferred Dividends paid, less \$1,074.87 in respect of those shares held by wholly owned subsidiary.....		22,925.13	
		<u>22,925.13</u>	
SURPLUS BALANCE, DECEMBER 31, 1942.....		<u>\$74,363.51</u>	

Consolidated Diversified Standard Securities Limited

Auditors Report to the Shareholders

We have made an examination of the books and accounts of Consolidated Diversified Standard Securities Limited, and its wholly owned subsidiary, Alco Securities Corporation Limited, for the year ending December 31, 1942, and have obtained all the information and explanations which we have required. On the occasion of the periodical examinations made by us, the securities have been inspected and found to be in order, and we report that, in our opinion, the attached Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31, 1942, according to the best of our information and explanations given us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, March 25, 1943.

Consolidated Diversified Standard Securities Limited

AND ITS WHOLLY OWNED SUBSIDIARY COMPANY

Consolidated Balance sheet, December 31st, 1942

ASSETS

CASH IN BANKS.....	\$ 408.41
DIVIDENDS DECLARED (Receivable in January).....	2,813.69
INTEREST ACCRUED ON BONDS.....	392.01
SUNDRY ACCOUNTS RECEIVABLE.....	996.91
BALANCE DUE BY BROKER against Securities delivered.....	2,599.33
INVESTMENTS:	
In Stocks and Bonds of listed Corporations at book value (Quoted Market Value of these Investments at December 31, 1942, expressed in Canadian Dollars, \$528,441.65).....	\$851,321.28
In Stocks of Corporations whose current value is not readily ascertainable.....	26,873.71
Net cost of 1,433 4/25 Non-cumulative First Preference shares, and 33,937 18/40 Class "A" Common Shares of Consolidated Diversified Standard Securities Limited, held by its wholly owned subsidiary, Alco Securities Corporation Limited.....	36,962.60
FURNITURE AND FIXTURES, less Reserve for Depreciation of \$1,745.13	800.91
PREPAID ITEMS.....	252.34
	<u>\$923,421.19</u>

LIABILITIES

RESERVE FOR INCOME AND PROFITS TAXES.....	\$ 1,000.60
RESERVE FOR UNREALIZED PROFIT ON EXCHANGE.....	30,542.08
CAPITAL STOCK AND SURPLUS, represented by—	
Capital Stock:	
Authorized—	
55,000 Non-cumulative First Preference Shares of no par value. (Preferential as to \$2.50 per share dividend and redeemable at \$50.00 at call).	
160,000 Class "A" Common Shares of no par value.	
112,500 Class "B" Common Shares of no par value.	
Issued:—	
Non-cumulative First Preference Shares.....	50,916 15/25
LESS: Redeemed and cancelled out of Net Realized Capital Profits.....	18,916 15/25
Balance of First Preference Shares Outstanding	32,000
Class "A" Common Shares.....	152,340 39/40
Class "B" Common Shares.....	112,500
Capital Surplus, representing net realized Capital Profits, used in redemption of 18,916 15/25 First Preference Shares.....	\$293,000.00
	\$717,515.00
INVESTMENT RESERVE.....	100,000.00
SURPLUS, as per statement attached.....	74,363.51
	891,878.51
	<u>\$923,421.19</u>

APPROVED ON BEHALF OF THE BOARD:

W. E. FOSTER, Director.
B. M. HILL, Director.

Submitted with our report to the shareholders dated March 25, 1943.

PRICE, WATERHOUSE & CO.,
Auditors.

Consolidated Diversified Standard Securities Limited



March 26th, 1943.

To the Shareholders:

Your Directors present herewith for your approval the Consolidated Financial Report and Balance Sheet for your Company and its Subsidiary for the year ended December 31st, 1942.

While gross income for the year was reduced, the net profit was more than sufficient to meet dividend requirements.

It is with regret that your Directors have to announce the death of their esteemed Colleague and President of the Company, Mr. Frederick John Fairhall, who passed away on May 13th 1942.

Your Company's investment portfolio is comprised of securities as follows: Bonds—3.93%; Preferred Stocks—11.51%; Common Stocks—81.50%; Miscellaneous and Unlisted Investments—3.06%. Holdings of revenue producing securities have been maintained at over 90% of the Portfolio.

Dividends No. 20 and No. 21, totalling 75 cents per share were paid on the outstanding Preference shares during the year 1942.

Submitted on behalf of the Directors,

Chairman, Board of Directors.